



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 24, 2001

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation
847 Northwest Highway 191
Helper, Utah 84526

Re: Five-Year Permit Renewal, Plateau Mining Corporation, Willow Creek Mine, ~~CONFIDENTIAL~~
RN00, Outgoing File

Schuy
Dear Mr. Pappas:

The permit renewal for the Willow Creek Mine is approved, effective April 24, 2001. Enclosed is the State Decision Document for Permit Renewal which includes two (2) copies of the renewed permanent program permit for the Willow Creek Mine. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Plateau Mining Corporation representative and return one to the Division.

If you have any questions, please call me.

Sincerely,

Lowell P. Braxton
Director

pgl/vs

Enclosures:

cc: James Fulton, OSM

Price Field Office

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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Plateau Mining Corporation
Willow Creek Mine
C/007/038
April 24, 2001

Contents

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ADMINISTRATIVE OVERVIEW

Plateau Mining Corporation
Willow Creek Mine
C/007/038
April 24, 2001

Background

The Willow Creek Mine area is located approximately 10 miles north of the town of Price, Utah in Carbon County, with the mine surface facilities located adjacent to and north of Willow Creek and State Highway 191 in Willow Creek Canyon approximately one mile northeast of the junction of Highway 191 with U.S. Highway 6 and 50. The Willow Creek Mine permit area covers an area of approximately 23 sections extending north and south approximately 2.5 miles from the junction of the two highway and six miles to the east for a total of 14,670 acres.

This area is part of the Book Cliffs of Central Utah and is characterized by high plateaus to the north; steep narrow ridgelines cut by deep erosional drainages in the permit and adjacent areas to the east, west, and south; and the relatively flat, dry semi-desert areas of the Colorado Plateau to the south of the town of Price. Within the permit area, topographic relief ranges from 6200 feet, near the confluence of Willow Creek with the Price River, to over 8,600 feet along the ridgelines to the southeast.

There has been mining in this area since the late 1800's. Following initial settlement of this area, further settlement and development of the area occurred fairly rapidly with the discovery of extensive coal reserves in the late 1870's and construction of the railroad in the late 1870's and early 1880's. Active underground mining operations continued from the 1870's through the 1940's, when coal demand and production began to decline due to reduced postwar industrial production and the shift to diesel railroad engines. The Castle Gate Mines Nos. 1,2, and 4, which were encompassed by the Willow Creek Mine permit boundary, were developed and operated from 1888 through 1972, when the last of the mines closed.

Cyprus Plateau Mining Corporation (CPMC) acquired the right to the coal in the eastern reserves in 1991, and received a mining and reclamation permit in 1996. RAG American Coal Holding Inc. purchased the property in 1999. Reserves are extensive and the annual production was expected to be about 5 million tons. Most of the initial mine development work used continuous miners and electric shuttle cars beginning in 1997. High productivity longwall mining systems for coal production began in 1998. Coal was hauled from the mine using a high speed main conveyor system fed by several face conveyors located at each of the active development areas, both continuous miner sections and longwall panels. A fire in November 1998 in the D Seam stopped production for about a year. An integrated program of geotechnical monitoring and a gob vent borehole network of surface holes was used to monitor ground conditions and remove methane gas in advance of mining. Another fire in July 2000 idled the mine. The mine is currently in temporary cessation.

Public Notice

Plateau Mining Corporation made application to the Division for a five year permit renewal for the Willow Creek Mine on November 17, 2000. This renewal encompasses the same permit area and disturbance as currently approved in the permit. The renewal application was determined administratively complete January 22, 2001. Public notice for this permit renewal was published in the Sun Advocate for four consecutive weeks beginning on January 21, 2001 and ending on February 20, 2001. No comments were received.

Recommendation for Renewal

The Division made the decision on April 24, 2001 to approve the permit renewal for five years based on the fact that:

1. The terms and conditions of the existing permit are being satisfactorily met.
2. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program.
3. The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas.
4. The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect.
5. The permit is conditioned with the requirement to:
 - Submit water quality data through the Electronic Data Input web site.

The current bond amount of \$11,949,205 has been reviewed and found adequate.

Recommendation

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Plateau Mining Corporation
Willow Creek Mine
C/007/038 Carbon County, Utah
April 24, 2001

November 17, 2000	Plateau Mining Corporation submits permit renewal application.
January 22, 2001	Division issues Determination of Completeness.
January 23, 2001	Permit renewal completeness determination sent to applicable state, federal, and county agencies with a note that comments must be received by March 23, 2001.
January 30, 2001	First publication date of four consecutive weeks for Public Notice of permit renewal for the Willow Creek Mine published in the <u>Sun Advocate</u> .
March 19, 2001	Letter from State Office of Planning and Budget. Stating no comments were received from any agencies.
March 22, 2001	End of public comment period and no comments were received.
April 24, 2001	Permit is renewed.

PERMIT RENEWAL FINDINGS

Plateau Mining Corporation
Willow Creek Mine
C/007/038 Carbon County, Utah
April 24, 2001

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Old Republic Insurance, Policy RMGL6123905)(R645-303-233.140).
6. The operator has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (Surety Performance Bonds issued by:
Travelers Casualty & Surety Ins. Co., #103198931-059, in the amount of \$3,983,069
St. Paul Fire & Marine Ins. Co, #KA 2990-059, in the amount of \$3,983,068
National Union Fire Ins. Co., #210667-059, in the amount of \$3,983,068)
(R645-303-233.150).
7. To date, the operator has submitted updated information as required by the Division through this permit term. (R645-233.160).



Permit Supervisor



Permit Supervisor



Associate Director of Mining



Director

FEDERAL

C/007/038

April 24, 2001
(Renewal)

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/007/038, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Plateau Mining Corporation
847 Northwest Highway 191
Helper, Utah 84526
(435-637-0475)**

for the Willow Creek Mine. A Surety Bond is filed with the Division in the amount of \$11,949,205 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Willow Creek Mine, situated in the state of Utah, Carbon County. The area to be mined is contained on the USGS 7.5-minute quadrangle maps (Helper, Kyune, Standardville, Matts Summit.) The areas contained in the permit area, approximately 14,670 acres are:

Township 12 South, Range 9 East

Section 22: Portions of SW/4 SE/4; SE/4 SW/4;
Section 25: All;
Section 26: East of the Price River;
Section 27: East of the Price River;
Portions of S/2 NW/4; NE/4 NW/4; NW/4 SW/4;
Section 28: Portions of S/2;
Section 35: Portions of SE/4 NE/4 and E/2 SE/4 west of the Price River
E/2 east of the Price River;

Less and Except:

A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County; and

Section 36: All east of the Price River.

Township 13 South, Range 9 East

Section 1: Lots 1, 2, 3 and 4 (N/2 N/2) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;

Less and Except:

1. The Utah Power and Light Company coal stockpile.
2. A tract in Lot 3 containing 1.43 acres total, more or less, and a tract in the NE/4 SW/4 containing 9.48 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Special Warranty Deed dated July 10, 1986, and recorded in Book 262 at page 309 of the official records of Carbon County;
3. A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;
4. A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.

Township 12 South, Range 10 East

Section 26: N/2; SE/4; N/2 SW/4; SE/4 SW/4;
Section 27: All;
Section 28: All;
Section 29: All;
Section 30: All;
Section 31: All;
Section 32: All;
Section 33: All;
Section 34: S/2; NW/4; S/2 NE/4; NW/4 NE/4; and
Section 35: E/2; SW/4; S/2 NW/4.

Township 13 South, Range 10 East

Section 2: All;
Section 3: All;

Section 4: All;
Section 5: All;
Section 6: Lots 1, 2, 3, 4 (N/2 N/2); Lot 5 (SW/4 NW/4); SE/4 NW/4; S/2 NE/4;
SE/4;
Section 7: Lots 1, 2, 6-9, 12, and 13 (E/2);
Section 8: Lot 1, 2 and 3 (N/2 NE/4 and NE/4 NW/4); S/2 N/2; S/2;
Section 9: E/2; SW/4; E/2 NW/4; NW/4 NW/4;
Section 10: E/2; NW/4; E/2 SW/4; NW/4 SW/4;
Section 11: All;
Section 17: NE/4; N/2 NW/4; and
Section 18: N/2 NE/4.

This legal description is for the permit area of the Willow Creek Mine. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit is effective on April 24, 2001 and expires on April 24, 2006.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303-300.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them.

These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations

THE STATE OF UTAH

By: Jawee P. B. [Signature]

Date: 4/27/01

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of Permittee

Date: _____

Attachment A

SPECIAL CONDITIONS

1. Plateau Mining Corporation will submit water quality data for the Willow Creek Mine beginning with data for the second quarter of 2001 in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.

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AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Carbon,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 30th day of January 2001, and that the last publication of such notice was in the issue of such newspaper dated the 20th day of February, 2001.



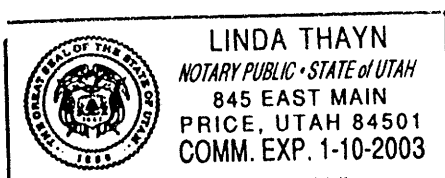
Kevin Ashby - Publisher

Subscribed and sworn to before me this 20th day of February, 2001.



Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 882.76



PUBLIC NOTICE

Application for Permit Renewal

Willow Creek Mine

Plateau Mining Corporation

Permit C/007/038, Approved 04/24/96

Carbon County, Utah

Notice is hereby given that Plateau Mining Corporation, 847 Northwest Highway 191 Helper, Utah 84526, a subsidiary of RAG American Coal Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, has filed an application with the Utah Department of Natural Resources Division of Oil, Gas and Mining for renewal of Permit C/007/038 to operate under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations. The permit area is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East

Section 22:	Portions of SW/4 SE/4; SE/4 SW/4;
Section 25:	All;
Section 26:	East of the Price River;
Section 27:	East of the Price River;
	Portions of S/2 NW/4; NE/4 NW/4; NW/4 SW/4;
Section 28:	Portions of S/2;
Section 35:	Portions of SE/4 NE/4 and E/2 SE/4 west of the Price River
	E/2 east of the Price River;

Less and Except:

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Sections 36: All east of the Price River.

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Section 1: Lots 1, 2, 3 and 4 (N/2 N/2) east of the Price River; SE/4; NE/4 E/2 SW/4 NE/4;

Less and Except:

1. The Utah Power and Light Company coal stockpile.
2. A tract in Lot 3 containing 1.43 acres total, more or less, and a tract in the NE/4 SW/4 containing 9.48 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Special Warranty Deed dated July 10, 1986, and recorded in Book 262 at page 309 of the official records of Carbon County;
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Section 27:	All;
Section 28:	All;
Section 29:	All;
Section 30:	All;
Section 31:	All;
Section 32:	All;
Section 33:	All;
Section 34:	S/2; NW/4; S/2 NE/4; NW/4 NE/4; and
Section 35:	E/2; SW/4; S/2 NW/4.

P.O. Box 145801

Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or information conference on this proposal must be submitted by March 22, 2001.
Published in the Sun Advocate January 30, February 6, 13 and 20, 2001.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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801-538-7223 (TDD)

April 12, 2001

TO: File

FROM: Pamela Grubaugh-Littig, Permit Supervisor

RE: AVS Recommendation, Plateau Mining Corporation, Willow Creek Mine, ACT/007/038, Compliance File

As of the writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected. There are no finalized Civil Penalties which are outstanding and overdue in the name of Plateau Mining Corporation. Plateau Mining Corporation does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The Applicant Violator System notes that there were no violations in the system (see attached.)

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Application Evaluation Report Applicant Violator System 11-Apr-2001 12:42:59

State : UT Permit No : ACT007038

App1 No : ACT007038

Permittee : 147847(PLATEAU MINING CORP)

Seqno : 1

Applicant : 147847(PLATEAU MINING CORP)

OSMRE: Comments/Analysis: Date : 11-Apr-2001 Mode : VIEW

There were no violations retrieved by the system. aw

SRA: Comments/Analysis: Date : 11-Apr-2001 Mode : UPDATE

SAVE{F5}

DELETE{F8}

PRV_SCR(F3) QUIT(F4) CHOICES(F10)

QUIT(F4)

CHOICES{F10}